

9 October 2023

US markets closed tonight, Oil, \$A in focus amid Middle East tensions

- **Global markets.** Investors are braced for a possible oil price spike and greater geopolitical uncertainty from Israel's "long and difficult war" with Hamas following the Palestinian militant group's bloody weekend incursions into Israel. The S&P 500 climbed 1.2 per cent, after charging back from an earlier drop of 0.9 per cent. The Dow Jones 0.9 per cent and the Nasdaq composite flipped to a gain of 1.6 per cent.

"The trend in payroll growth is still down, the quits rate and hiring rate remain in a downtrend and wages growth slowed further," he said.

JPMorgan economist Ben Jarman said the possibility that tensions could flare added to "a basket of geopolitical risks" and would raise the floor on where oil prices could settle in the near term, particularly as OPEC tried to push prices closer to \$US100 a barrel.

- **In economic news.** On the calendar this week, the FOMC will release the minutes of its September meeting on Thursday. On the same day, the US Bureau of Statistics will release the September CPI figures. Westpac's economists as of Friday projected the US monthly inflation figure to rise 0.3 per cent.

- **In other markets.** Bond yields have soared and the US dollar has gained ground while equities have suffered. Some investors say the Israeli conflict could prompt a flow into safer assets, boosting the demand for the greenback and treasuries.

The US 10-year Treasury yield, which serves as a benchmark for global borrowing, briefly rose to 4.88 per cent after the release of robust non-farm payrolls data on Friday, its highest level since 2007, before easing back to 4.8 per cent.

- **Futures.** Futures markets showed Australian shares were poised to rise 0.8 per cent, or 58 points, to 7037 at the start of trade on Monday, following Wall Street higher as investors shrug off better-than-expected US jobs figures and look through short-term financial uncertainty over the war.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,143.0	7,117.5	0.4%
ASX 200	6,954.2	6,925.5	0.4%
ASX Emerging Companies	1,868.4	1,881.7	-0.7%

US Markets

Dow Jones	33,407.6	33,119.6	0.9%
S&P500	4,308.5	4,258.2	1.2%
Nasdaq	14,973.2	14,723.2	1.7%
Russell 2000	1,745.6	1,729.0	1.0%

Asian & European Markets

Shanghai Composite	3,110.5	3,110.5	0.0%
Nikkei	30,994.6	31,075.3	-0.3%
Hang Seng	17,486.0	17,213.9	1.6%
FTSE 100	7,494.6	7,451.6	0.6%
DAX 30	15,229.8	15,070.2	1.1%
CAC 40	7,060.2	6,998.3	0.9%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,991.1	2,934.1	1.9%
Communication Services	229.0	224.9	1.8%
Consumer Discretionary	1,260.7	1,252.0	0.7%

Economic Releases	Time	F'cast	Prior
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Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.235	0.240	-2.1%
Elementos	13.000	0.135	9529.6%
Frontier Energy	0.295	0.305	-3.3%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	82.74	82.52	0.3%
Gold	1,832	1,820	0.7%
Gold (Aus)	2,869	2,857	0.4%
Silver	21.59	20.98	2.9%
Uranium (Spot)	71.09	71.09	0.0%
Tin (Futures)	24,644	23,926	3.0%
Copper	3.64	3.58	1.7%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,012.0	6,932.0	1.2%
DX Index	106.1	106.8	-0.6%
AUD/USD	0.6383	0.6371	0.2%
2-Year Treasury Yield (%)	5.085	5.025	6 bp
10-Year Treasury Yield (%)	4.805	4.719	9 bp
US 2-10-Year Spread	-0.280	-0.306	3 bp
VIX Index	17.44	18.48	-5.6%